

GREEN STRATEGY - HALAL BRANDING MANAGEMENT AS A SOLUTION TO INCREASE THE ECONOMIC GROWTH OF MSMEs

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Abstract:

The UMB team implemented PKM in partnership with MSME actors in Kranggan Village in Kademangan Village, Tangsel City. Attended by 36 MSME players in the culinary sector. The mainstay products of these MSME players are roasted peanuts, ketapang seeds, banana chips, kembang goyang, and other types of chips. The problems experienced by partners are as follows: there are several superior products produced by culinary MSMEs in Kranggan Village, namely the production of roasted peanuts which is experiencing sluggish development. The main obstacle is mainly caused by the need for knowledge by MSME players about the importance of marketing strategies, especially branding strategies, to increase the added value of products and make their uniqueness known to consumers. The solutions offered are: 1) Providing training regarding marketing and export strategies for roasted peanut products to reach domestic markets and export to Middle Eastern countries. 2) Providing training related to Branding Management Strategy by providing product brands and green halal brand certification as product identities to encourage economic growth for MSMEs.

INTRODUCTION

The development of Micro, Small, and Medium Enterprises (MSMEs) in Indonesia is an exciting phenomenon. It is the backbone of the economic community and has received significant attention from the Indonesian government. The contribution of MSMEs that impacts the Indonesian economy can absorb 97 percent of the total workforce and has accumulated to 60.4 percent of the total available investment (BEKRAF, 2020).

Based on data from the Ministry of Communication and Information (2022), the number of MSMEs in Indonesia has reached 65 million business actors, and around 19.5 million MSMEs have switched to the digital sector.

However, there are still many problems for MSMEs in increasing their sales in Indonesia, especially marketing problems in digital form. Although MSMEs produce quality products and increase in quantity every year, it turns out that they still need help in getting new consumers and loyal customers (Imaningsih et al., 2023).

A prerequisite is because of an inappropriate strategy and the lack of branding strategy (Oktaviani & Imaningsih, 2021). Therefore, a branding strategy that is right on target and based on the trend of phenomena that society is a crucial thing must be crucial to ME actors (Andriani et al., 2023).

The background of the concept of "green brand" is closely related to changes in consumer behavior and concern for environmental issues such as climate change, pollution, and conservation of natural resources, which has encouraged consumers to care more about the environmental impact of their purchasing decisions (Imaningsih et al., 2020). This is inseparable from the awareness of



nations and the shared commitment of world leaders to the importance of achieving Sustainability Goal Development as a common goal (<https://www.un.org/en/>).

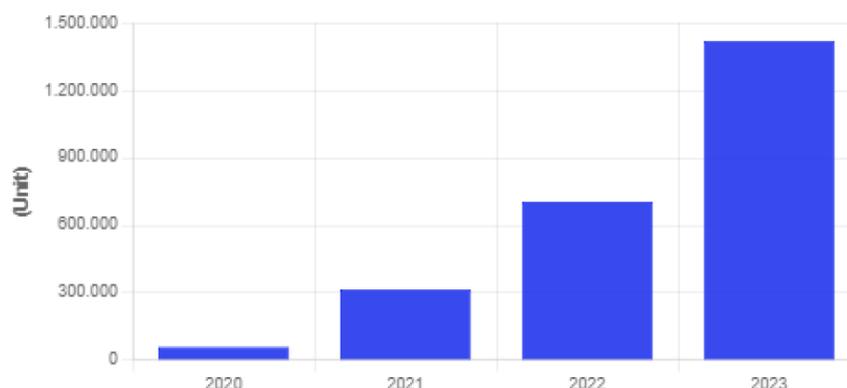
A green brand (company/product/service provider/food/association and personality) is awarded a quality seal that significantly contributes to conserving climate, environment, nature, biodiversity, and resources (Imaningsih et al., 2023). Companies use green brands as part of their product marketing strategies.

Green brands are essential to protecting the environment, meeting consumer demands, differentiating themselves from competitors, strengthening product and company reputations, and opening new business opportunities (Yuwanti et al., 2023). In addition, consumers with green awareness want the green brand label to be included to make it easier to recognize whether a product is green and shop efficiently (Imaningsih, 2017).

Meanwhile, the background to the existence of halal brands involves significant growth in the Muslim population, changes in consumer behavior, and demand for products and services that meet halal standards (<https://halalmui.org/>). The halalness and benefits obtained through consumption activities can forge Muslims' material and spiritual aspects (Imaningsih & Sihite, 2022).

Jumlah Produk Bersertifikasi Halal RI

Sumber: SiHalal



Source: GoodStats

Figure 1. Number of Halal Certified Products from the Indonesian Ulema Council from 2020 to 2023

Based on data from GoodStats, the number of halal-certified products from the Indonesian Ulema Council from 2020 to 2023 continues to increase. In 2023, the number of halal-certified products will be 1,420,000. Knowing the procedures and requirements is necessary to obtain halal certification from an authorized institution.

The importance of green and halal brands as added value is that they can be added to products or services that help differentiate businesses from competitors and increase business competitiveness in the market (Yuwanti et al., 2023). The concept of a green brand aligns with consumers' tendency toward green awareness. Meanwhile, the Halal brand targets consumers in Muslim-majority countries such as Indonesia or countries in the Middle East. Thus, raising the Green - Halal Brand as a product identity is the right branding strategy for the target market who want products that can increase their identity value as consumers who are environmentally conscious and aware of the halalness of a product (Imaningsih et al., 2023).



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However, in Indonesia, only a few MSMEs have implemented the green halal brand strategy as a uniqueness of their products. This is no exception for MSMEs in South Tangerang. South Tangerang is an area with enormous potential for MSMEs. The Cooperatives and SMEs Service of South Tangerang City (Tangsel) noted a growth trend in the number of Micro, Small and Medium Enterprises (MSMEs)⁰. According to the Head of the Cooperatives and SMEs Service of South Tangerang City, Warman Sanudin, there were around 40 thousand MSMEs before the pandemic; after the pandemic, around 89 thousand, and currently approaching around 140 thousand (<https://www.idntimes.com/>).

The development of MSMEs has also occurred in Kranggan Village, included in the Tangsel area. The interest of MSMEs is mainly in food and beverage products or the culinary sector. MSMEs in the culinary sector are around 70 percent, ranging from roasted peanuts, ketapang seeds, banana chips, kembang goyang, and other types of chips. Initially, starting with the consumption of the surrounding community only, it continued to grow outside the Kranggan area, but it was still traditional. Some assistance from the surrounding government and other government agencies to develop MSMEs in Kranggan.

Kranggan roasted peanuts have been famous since South Tangerang City was yet to be formed. This Kranggan roasted peanut snack tastes different from other roasted peanut snacks. The difference lies in the processing method by roasting using sand so that it can be classified as healthy food and environmentally friendly. Because the processing method is still traditional, the resulting taste differs from other roasted peanut products. The raw materials for peanuts are sent from Central Java and East Java. This is an obstacle, namely the high cost of transportation, resulting in expensive raw material costs and hampering production. Target markets and marketing areas have yet to develop; they only target consumers in markets and small shops in the Tangerang area.

The problem faced by MSME actors in Kranggan is that the marketing strategy, especially the branding strategy, needs to be optimally implemented. Therefore, it is necessary to find a solution for MSME actors to market their products optimally through a branding management strategy by emphasizing the green-halal brand as their product identity.

METHODS

Partners in this case are MSMEs in the Kranggan sub-district of South Tangerang participating in supporting this Community Service activity. Partners will follow all directions from the PKM TEAM. Partners will participate in learning, training, digital marketing socialization and green-halal branding strategies with simulations of green and halal label certification registration for their products. After each learning process, an evaluation is carried out as a reference for feedback to ensure the partnership's sustainability. Program Achievement Stages, namely:

1. Stage I: Partners can understand modules related to branding management strategies, green brands, and halal brands.
2. Stage II: Partners can implement branding management strategies for green and halal brands.
3. Stage III: Continuous and consistent implementation by Partners of branding management strategies, green and halal brands.
4. Stage IV. Analyze deficiencies/weaknesses in branding management strategies for green and halal brands.
5. Stage V: Improve deficiencies/weaknesses in the implementation related to branding management strategies, green brands, and halal brands.



- Stage VI: Develop products produced by implementing branding management strategies, green brands, and halal brands

RESULTS AND DISCUSSION

Community service activities will focus on Green Strategy - Halal Branding Management as a Solution to Increase Economic Growth of MSMEs. The number of participants was 36 people. The PKM team presented digital marketing training materials and branding strategies. Then, a question-and-answer forum and simulation of submitting green and halal brand certifications for their products were held.



Figure 2. Implementation of Training

The explanation begins with the definition of a brand and the importance of a product having a brand so that its identity and uniqueness can be recognized in the market so that it will add value to the product. The PKM team showed examples of brands in the form of logos, images, names, and so on, which, in essence, show the identity/name of the product that represents the value of the product. Then, a simulation of the stages of registering a brand/brand was carried out through the dgip.go.id website to the participants.



Source: <https://dgip.go.id/menu-utama/merek/syarat-prosedur>

Figure 3. Brand Registration Stage

The PKM team presented the importance of green awareness or environmentally friendly owned by MSME actors. Considering that most of the products owned are culinary, the uniqueness



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of the product as a green brand can be highlighted through environmentally friendly raw materials, processes, and packaging. By registering products with an institution authorized to issue green certification, it is hoped that it can increase the product's added value so that MSMEs can penetrate the export market, especially developed countries that require a green label as a product value to enter their country. Participants were also given training on a simulation of registering for green brand certification on the Sucofindo institution website.



Source: <https://business.yougov.com/content/42187-ecolabels-indonesia-consumer-awareness>

Figure 4. Example of Green Brand Label

The following material introduces halal brands, including definitions, requirements, benefits, and the halal label certification process. The products owned by business actors to be marketed are generally culinary, both food and beverages, which must meet halal requirements to obtain a halal brand. Thus, MSMEs will be able to penetrate the market in Middle Eastern countries, which require products labeled with halal brands to enter their countries. Participants are also directed to simulate halal certification registration on the Sucofindo institution website. Introducing halal brands by registering halal label certification through the Sucofindo institution.



Source: <https://kemenag.go.id/>

Figure 5. Example of Halal Label

The participants, primarily homemakers and MSME actors were enthusiastic about participating in and practicing the branding strategy simulation.

CONCLUSION

UMB's community service program was implemented well and successfully on February 28, 2024, in Kranggan Village, South Tangerang. Thirty-six participants attended this exciting and communicative event. According to the participants, this program was beneficial because the resource person delivered the material in easy-to-understand sentences.

PKM activities in Kranggan Village have been implemented and completed according to the target, which includes:

1. Branding Strategy Presentation: Introduction of logo, image, name and brand registration.



2. Simulation of the brand registration process and green-halal brand certification process

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